

REMARKS

Claims 1, 4, 6 – 14, 19, and 21 – 30 have been examined. An objection has been made to the prior amendments under 35 U.S.C. §132(a) as introducing new matter. Claims 1, 6, 19, 22, and 25 stand rejected under 35 U.S.C. §112, ¶2 as being indefinite; and Claims 1, 4, 6 – 14, 19, and 21 – 30 stand rejected under 35 U.S.C. §102(e) as anticipated by U.S. Pat. Publ. No. 2001/0054003 (“Chien”).

1. New-Matter Objections

The new-matter objections are respectfully traversed. The Office Action objects in particular to recitations in the claims related to augmenting a stored point total with the loyalty process by an augmentation amount and backing out of the loyalty process by decrementing the stored point total after receiving a denial of a transaction instruction.

The Application explains that it describes methods and systems that build on conventional loyalty programs in which “a customer is credited with a number of points for each transaction” that is executed, thereby providing an augmentation amount applied to a stored point total as recited in the claims. In accordance with embodiments of the invention, “[i]f the transaction is declined, the loyalty transaction is backed out ... and the payment response is returned to the point of sale terminal” (*id.*, p. 8, ll. 24 – 26). It is inherent from this description, particularly in light of the Application’s observation that “execution of the loyalty process is generally initiated before authorization for the transaction is received” (*id.*, p. 8, ll. 28 – 29), that backing out of the transaction is performed by reversing the crediting of points for the transaction. That is, the Application describes an arrangement in which the stored point total is decremented by the augmentation amount after receiving the denial of the transaction.

It is thus apparent that the prior amendments have added no new matter. *See generally* MPEP 2163 and its citation of *Martin v. Johnson*, 454 F.2d 746, 751, 172 USPQ 391,

395 (CCPA 1972) that “the description need not be in *ipsis verbis* [i.e., “in the same words”] to be sufficient.”

2. §112 Rejections

The §112 rejections are also respectfully traversed. The comments provided regarding the new-matter objections explain how the augmentation amount is used in embodiments of the invention to initially credit a loyalty transaction and then to back out of that loyalty transaction in response to receipt of a denial of a transaction instruction.

3. Prior-Art Rejections

The §102 rejections are also respectfully traversed. With respect to independent Claims 1 and 19, the Office Action asserts that the claim limitations related to backing out of a loyalty transaction are disclosed at ¶¶ 11, 52, 69, and 73 of Chien. But each of these paragraphs in Chien is related to the use of loyalty points in executing a transaction. They do not teach or suggest decrementing the stored point total by a previously applied augmentation amount “after receiving the denial of the transaction instruction” as required by the claims.

With respect to independent Claims 6, 22, and 25, the Office Action notes the disclosure in Chien of a loyalty system that may be used with a group of merchants. But while this disclosure arguably allows loyalty points earned at one merchant to be used at another, there is no teaching or suggestion that such points be available for application by the customer at a second merchant “substantially immediately” after being earned at a first merchant.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance and an action to that end is respectfully requested.

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Examining Group 3621

PATENT

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,

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